

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1135-01
Bill No.: SB 355
Subject: Licenses-Motor Vehicle; Revenue Dept.; Health Dept.
Type: Original
Date: February 9, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Organ Donor Fund*	Unknown	Unknown	Unknown
Highway Fund	(\$40,142)	(\$29,355)	(\$30,236)
Total Estimated Net Effect on Other State Funds	Unknown	Unknown	Unknown

* Unknown income to Donor Fund not expected to exceed \$50,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **State Treasurer's Office, Department of Transportation and Department of Health and Senior Services (DHSS)** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)** assume this proposal could have fiscal impact on their agency. This bill requires the director of revenue to ask each applicant when registering a motor vehicle if they are interested in donating \$1 for the Organ Donor Fund and to collect these funds and deposit them into the appropriate fund.

The **DOR- Driver and Vehicle Services Bureau (DVSB)** note that they cannot determine the amount of revenue that could be collected from this proposal. For FY02, DVSB collected \$277,288 from the \$1 donation program on the driver license transactions. With further information from DHSS it is assumed that approximately \$40,000 in additional collections through vehicle licensing could be expected. However, this amount is unknown.

ASSUMPTION (continued)

FY 04, 05 and 06 -Income

\$1 donation to Organ Donor Program Unknown not expected to exceed \$50,000

The DOR-DVSB could also incur cost for the forms, revisions in procedures, envelopes and postage. DVSB notes that it could incur an annual cost increase of \$5.00 per 1,000 forms ordered for the title application (DOR-108) and \$4.50 per 1,000 forms ordered for the renewal application (DOR-289). The \$1 donation item could require movement of a desensitization area and spot tissue carbon and increase the size of the form. The current vendor has quoted the increased cost for these modifications as stated above. DVSB orders approximately 3,000,000 DOR-108 and 3,000,000 DOR-289 annually. **Oversight** notes, with additional information from DOR, that the current forms are congested and once the move is made to a larger form (see annual cost above) then other items can be added to the form with no additional charge.

DOR-Information Technology Bureau could incur programming cost to make modifications to the Uniform Field Office System (UFOS), the Missouri Transportation Accounting System and the Missouri On-Line Registration Exchange (MORE) to include a new \$1 donation.

FY 04- Cost and Cost offset

DOR-108 at \$5.00 per 1000	\$15,000
DOR-289 at \$4.50 per 1000	\$13,500
Procedure and mailings	\$530
Programming Salaries	<u>\$11,112</u>
Total	\$40,142

FY 05 Cost and Cost offset

DOR-108 (3%) at \$5.00 per 1000	\$15,450
DOR-289 (3%)at \$4.50 per 1000	<u>\$13,905</u>
Total	\$29,355

FY 06 Cost and Cost offset

DOR-108 (3%) at \$5.00 per 1000	\$15,913
DOR-289 (3%)at \$4.50 per 1000	<u>\$14,322</u>
Total	\$30,235

Oversight notes that the proposal does have provisions to allow DOR to receive 1% of the proceeds to offset administrative costs. However, officials with DOR assume they could need legislative appropriations to distribute these funds.

ASSUMPTION (continued)

To implement this legislation, the DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

This proposal could increase state revenue through the \$1 donation to the Organ Donor Program Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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ORGAN DONOR FUND

<u>Income</u>			
\$1 donation*	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

ESTIMATED EFFECT ON ORGAN DONOR FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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* Unknown not expected to exceed \$50,000

HIGHWAY FUND

<u>Cost-Department of Revenue</u>			
Programming Salaries	(\$11,112)	\$0	\$0
Forms and Procedure	<u>(\$29,030)</u>	<u>(\$29,355)</u>	<u>(\$30,236)</u>
<u>Total Cost- DOR</u>	<u>(\$40,142)</u>	<u>(\$29,355)</u>	<u>(\$30,236)</u>

**ESTIMATED NET EFFECT ON
HIGHWAY FUND**

	<u>(\$40,142)</u>	<u>(\$29,355)</u>	<u>(\$30,236)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require customers to be asked if they would like to donate \$1 to the Organ Donor Fund when renewing their vehicle license. All of the proceeds, less 1%, should be deposited into the Organ Donor Program Fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
State Treasurer's Office
Department of Health and Senior Services



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Director
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